(d) whether certain expenditure are termed as revenue expenditure instead of 'current' or 'recurring' expenditure in the Indian budget documents; if so, the reasons therefor; and

(e) what is the rationale behind using such misleading terms?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. All the Demands for Grants of Ministry of Rural Development provide for Revenue expenditure in view of the fact that the funds for schemes/programmes under the Ministry of Rural Development are mostly Centrally-Sponsored Schemes and are released to State Governments as 'Grants' for implementation. As per the existing system of classification, expenditure on 'Grants' is classified as Revenue expenditure though they may result in the creation of assets;

(b) Grants are provided to the State Governments/implementing agencies for creation of durable community, social and economic assets under specific schemes like 'Swaranjayanti Gram Swarozgar Yojana', 'National Rural Employment Guarantee Scheme', 'Pradhan Mantri Gram Sadak Yojana' and 'Indira Awas Yojana'. The ownership of such assets rests rests with the State Governments;

(c) No, Sir;

(d) and (e) Charges on maintenance, repair, upkeep and working expenses which are required to maintain assets in a running order as also also other expenses incurred for the day-to-day running of the organisation including establishment and administrative expenses are classified as Revenue expenditure as per provisions of Rule 90 of General Financial Rules. Article 112 (2) of theConstitution of India provides for distinguishing expenditure on revenue account from other expenditure. The classification of expenditure is prescribed by Government in consultation with the Comptroller & Auditor General of India under Article 150 of the Constitution.

Monitoring of commodity prices by States

3581. SHRIMATI SHOBHANA BHARTIA: Will the Minister of FINANCE be pleased to state:

(a) whether the Centre have appealed to State Governments for support

to keep down prices due to rising inflation and Prime Minister, in a communication to all Chief Ministers, asked to place a mechanism to monitor commodity prices which in turn greatly affect wages and the cost of consumer goods;

(b) whether sensitive commodities like pulses, edible oils, wheat and milk have all been hit;

(c) if so, what are the other main points referred by the Prime Minister in his letter; and

(d) to what extent the State Governments have taken steps in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Yes, Sir. The Central Government has requested the State Governments to take all necessary steps to keep inflation under control. In a letter dated 21st February, 2007 the Prime Minister has appealed to this effect to all the Chief Ministers. The letter makes specific mention to curb speculation in some of the commodities, especially pulses. It also exhorts the State Governments to take necessary steps to curb malpractices, profiteering and hoarding and ensure efficient functioning of the Public Distribution System. The State Governments have been requested to approach the special monitoring cell setup in the Cabinet Secretariat for any issues requiring quick resolution and for removing any bottlenecks in the availability of essential commodities. The letter also outlines the various fiscal, administrative and supply side augmentation measures that have been taken by the Central Government in the recent past.

(d) The State Governments have been taking various steps to keep inflation under check. Some State Governments, in pursuance of the authorisation given by the Central Government *vide* Notifications dated August 29, 2006 (and subsequent extensions to this notification), have already passed Control Orders with respect to wheat and pulses.

Loans fixed for aricultural sector

†3582. SHRI AJAY MAROO: Will the Minister of FINANCE be pleased to state:

(a) whether any percentage of the total loan to be provided for agricultural works by the banks has been fixed;

†Original notice of the question was received in Hindi.